

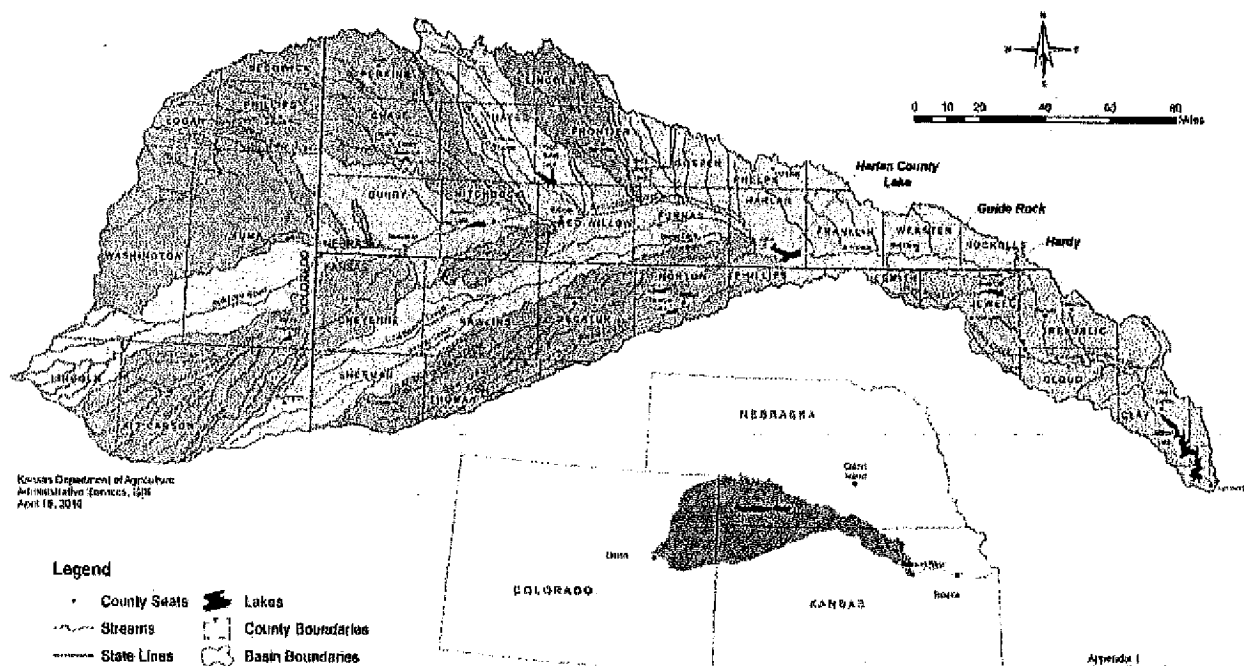
Exhibit 4

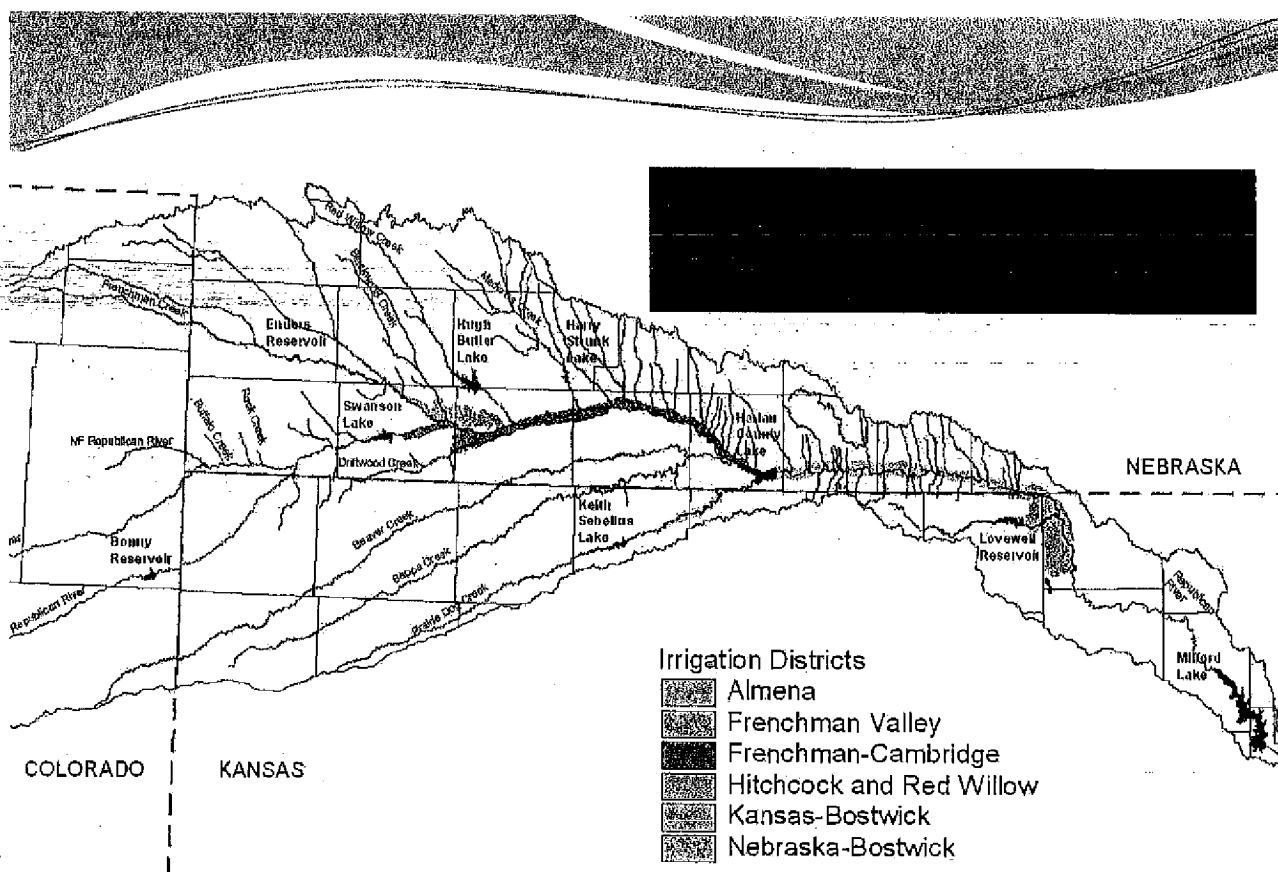


The View from Kansas 4-States 2011

Scott E. Ross
Kansas Department of Agriculture
Division of Water Resources

Republican River Basin





Compact Enforcement History

Year	Issue
1980s - 1990s	Nebraska begins to overuse its share. Kansas seeks to address concerns via the Compact Administration.
1998	Kansas files suit in U.S. Supreme Court. Nebraska asserts that the Compact does not include groundwater.
2000-2002	Court rules that groundwater pumping must be accounted for. States negotiate comprehensive settlement.
2003	U.S. Supreme Court approves settlement.
Settlement includes clear compact compliance requirements and jointly developed groundwater model accounting methods.	

The Final Settlement Stipulation (FSS)

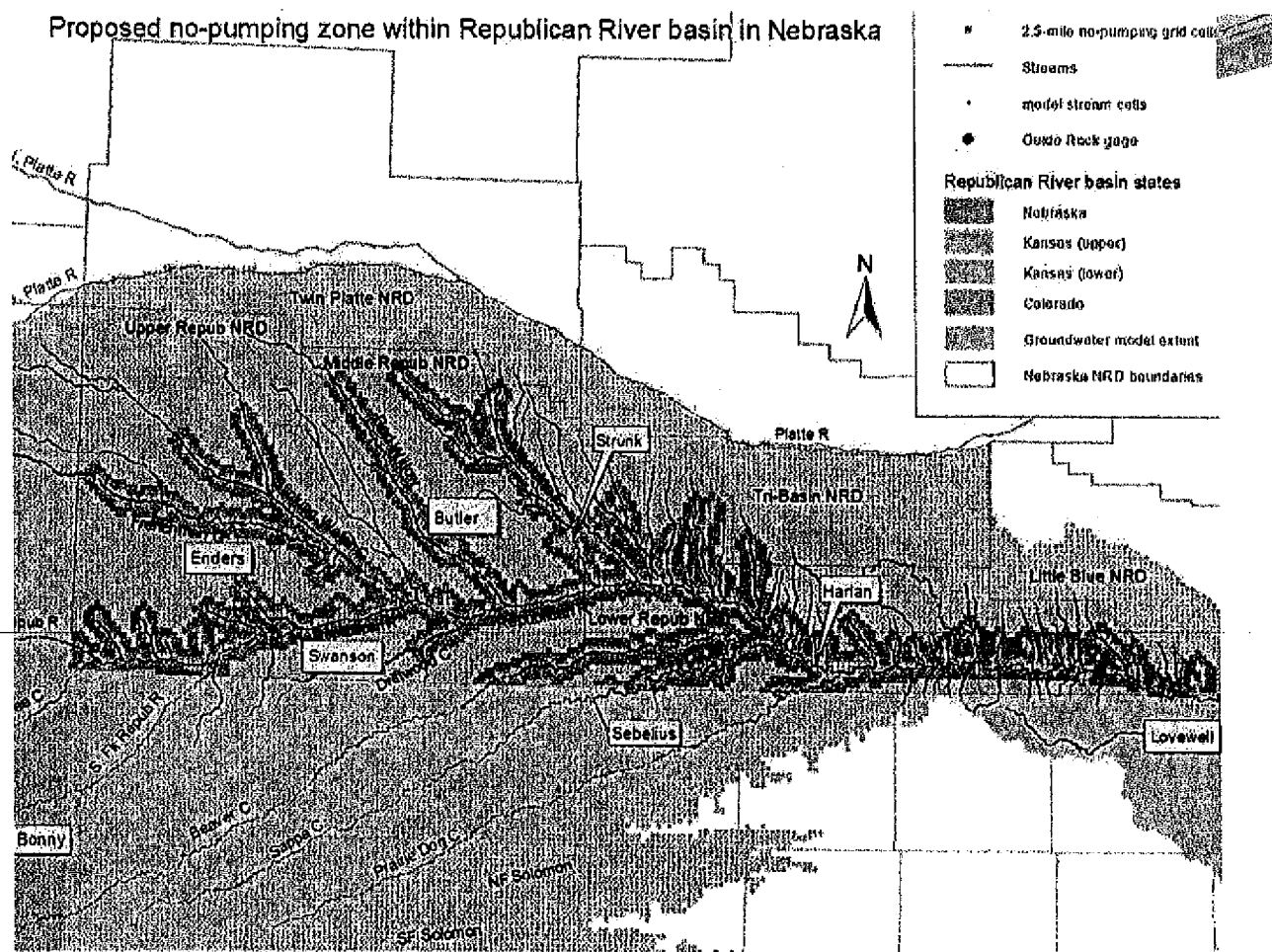
- Kansas waives damages for pre-2003 violations of the Compact
- Provides methods for quantifying and allocating the water supplies of the Basin, using the RRCA groundwater model
- RRCA Groundwater model cooperatively developed
- Provides calendars of compliance:
 - Normal years: five-year test
 - Water-short years: two-year average test

Kansas actions to enforce the Decree

- December 2007 - Kansas begins dispute resolution process before the Republican River Compact Administration (RRCA)
- July 2009 - Non-binding arbitration concluded
- Filing before the US Supreme Court, May 2010

What Kansas is seeking

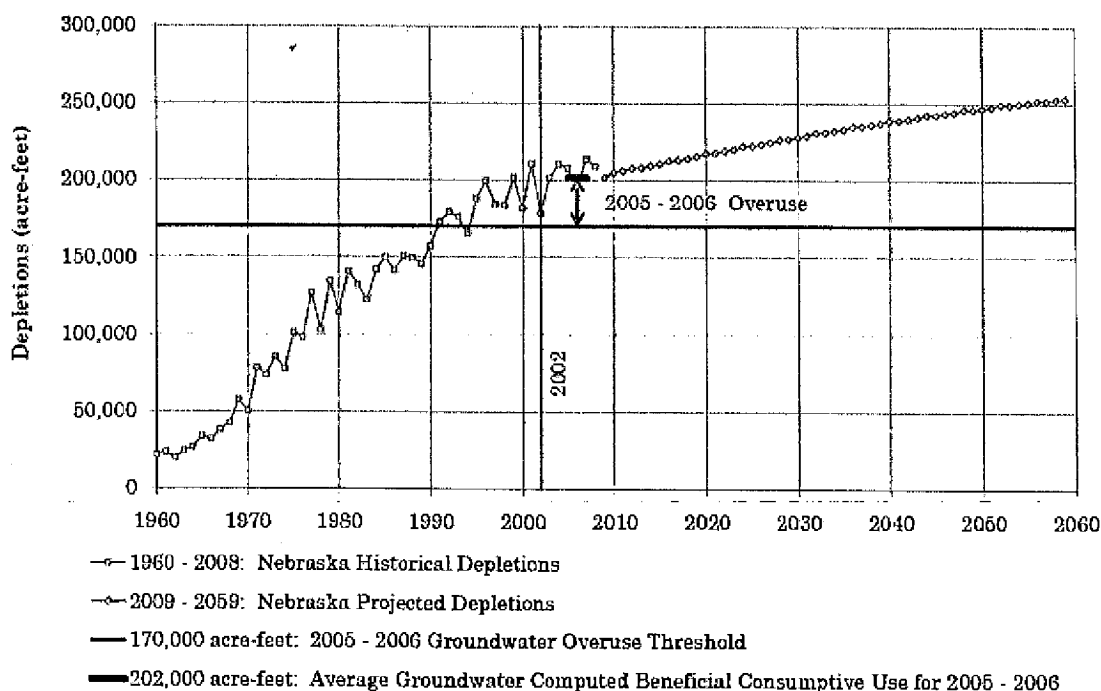
- Significant reductions in groundwater pumping
- Damages
- River Master to superintend Nebraska's action
- Preset sanctions for further violations



Nebraska's current "compliance" is due principally to wet conditions

- Reductions in pumping since the peak of 2002 correspond with increased precipitation, which has reduced irrigation requirements.
- Water supply and allocation have increased since 2006
- Depletions to Basin water supply continue to grow.
- Consumptive use in Nebraska remains effectively unchecked.

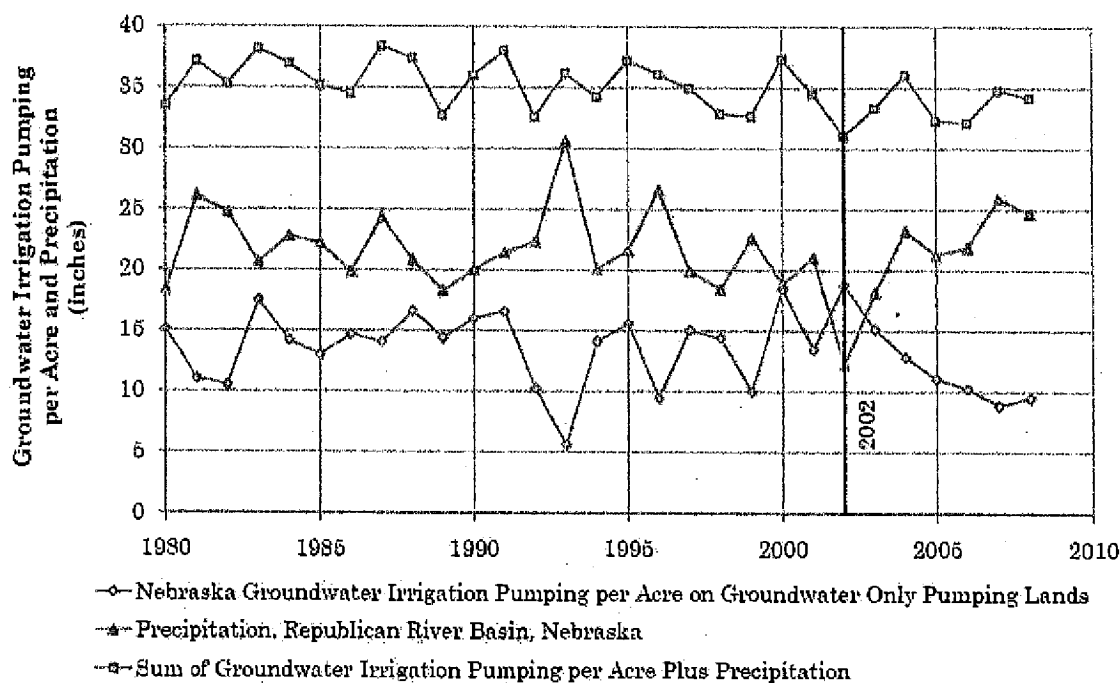
Figure 7
Depletions of Republican River Streamflow Above Guide Rock, Nebraska
By Nebraska Groundwater Pumping
Historical and Projected



Source:

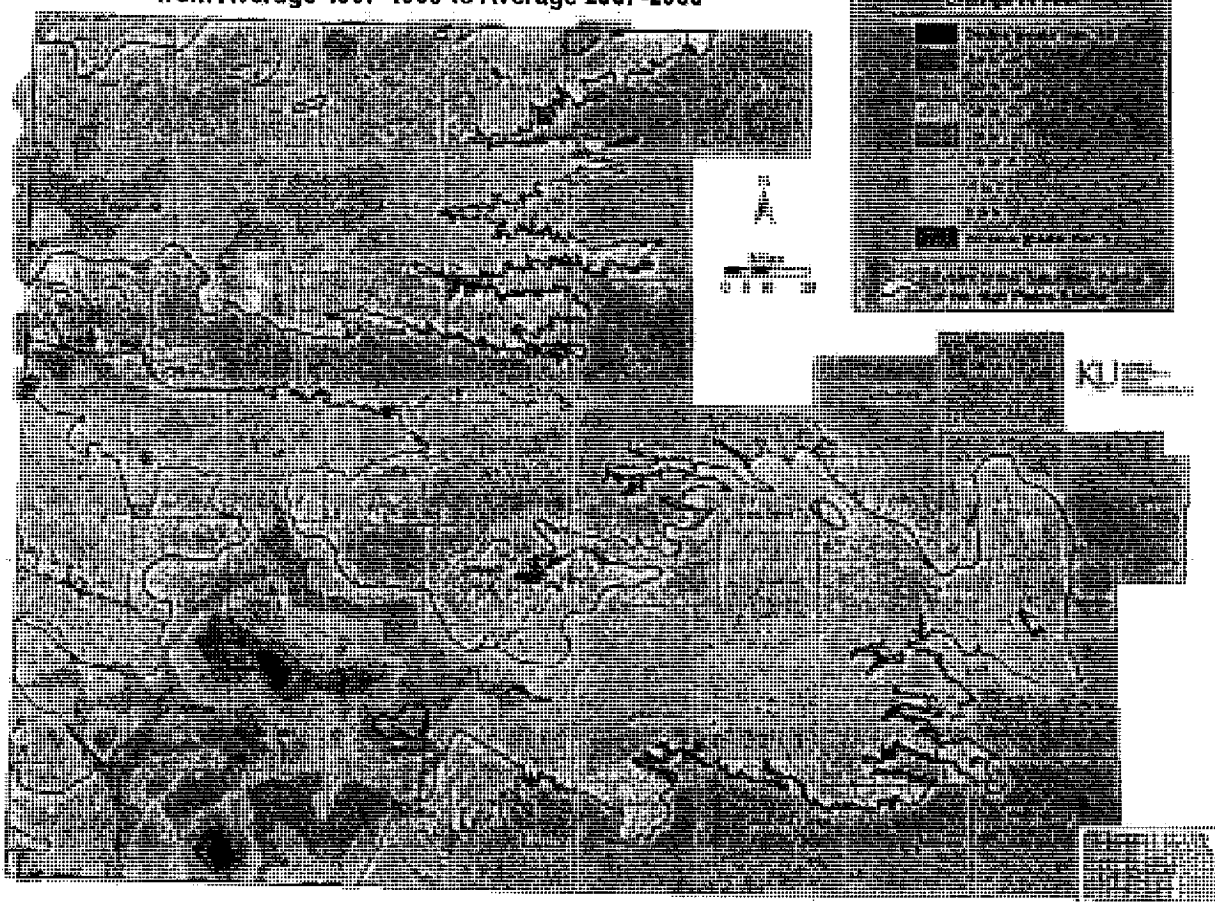
- (1) Historical Depletions - Republican River Compact Administration Groundwater Model results.
- (2) Projected Depletions - Republican River Compact Administration Groundwater Model results generally based on average conditions for years 1959 - 2008 and 2003 - 2008 average groundwater pumping per acre.

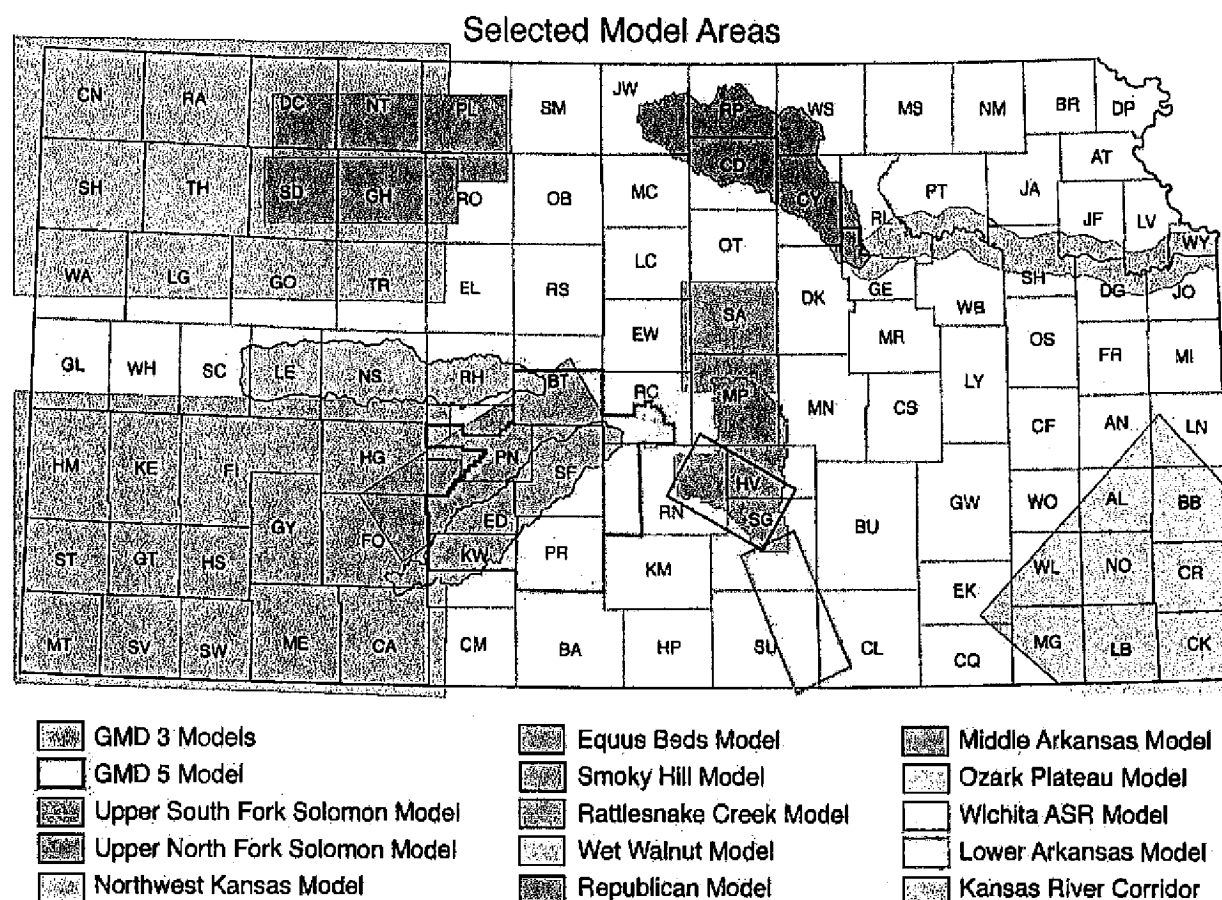
Figure 8
Nebraska Groundwater Irrigation and Precipitation
Republican River Basin, Nebraska



Source: Republican River Compact Administration Groundwater Model data.

**Interpolated Water Level Change in the High Plains Aquifer
from Average 1997-1999 to Average 2007-2009**



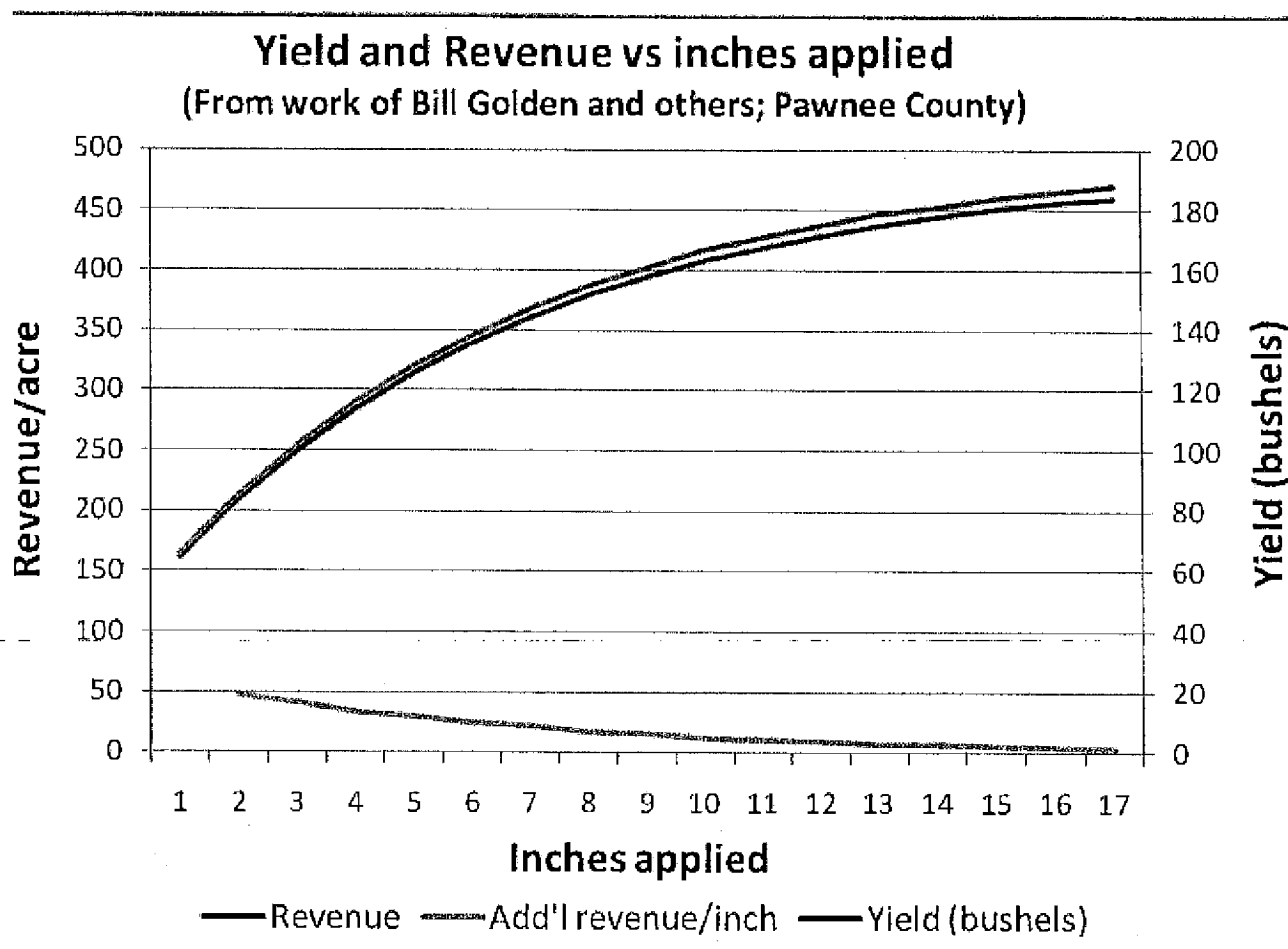


Economic analysis/modeling

- Does irrigation scheduling save water?
 - No, it allows irrigators to maximize profits with a given resource.
- Do more efficient irrigation systems save water?
 - No, but it does typically leads to greater profits, less waste
- Diminishing incremental revenue with each additional inch applied (law of diminishing returns)

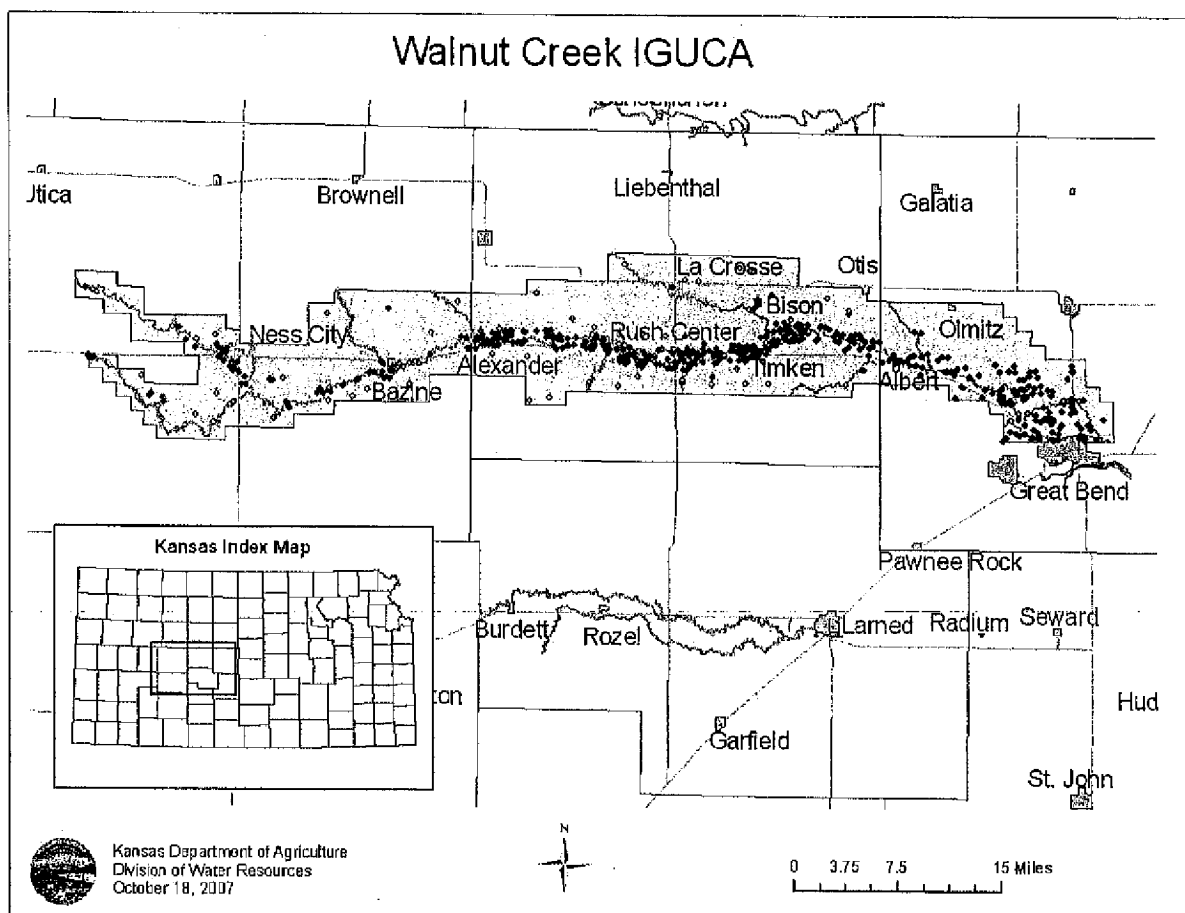
Economic analysis/modeling

- Does irrigation scheduling save water?
 - No, it allows irrigators to maximize profits with a given resource.
- Do more efficient irrigation systems save water?
 - No, but it does typically leads to greater profits, less waste
- Diminishing incremental revenue with each additional inch applied (law of diminishing returns)
 - Water and profits can be maximized by looking at the value of the last few inches of irrigation.



Lessons learned from a Kansas Intensive Groundwater Use Control Areas (IGUCA)

- IGUCA's are a water management tool that works in conjunction with the Kansas Water Appropriation Act
- Provides alternatives to strict administration of water rights by priority
- Allows for flexible solutions
- Chief engineer can amend an IGUCA in the public interest



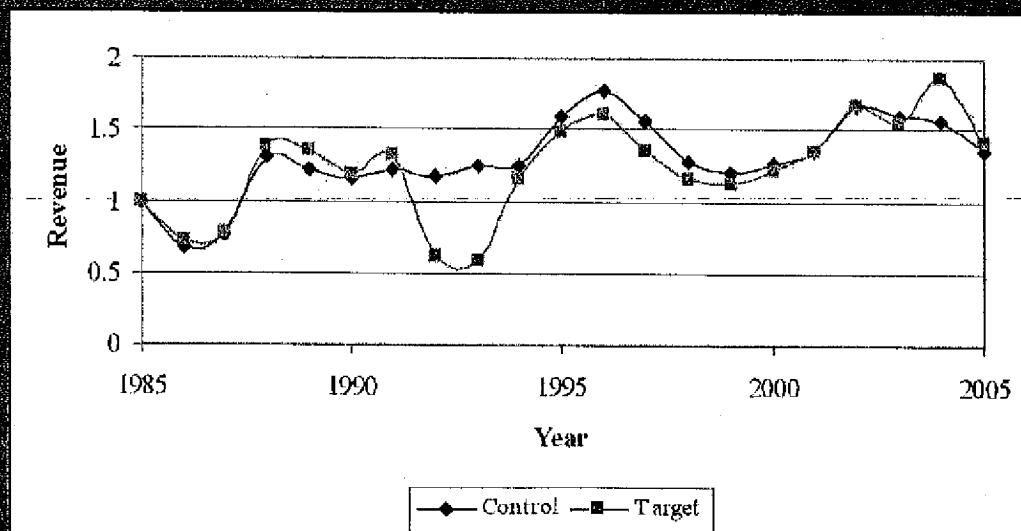
Walnut Creek IGUCA Corrective Controls

- Long-term sustainable yield is 22,700 acre-feet/year
 - No reduction in vested rights
 - Senior rights: 12 inches to 14 inches
 - Junior rights (44 % of the allocations for senior rights, 5.25 to 6.25 inches)
- Five-year allocations
- Similar reductions in other uses (municipal/industrial)

Economic Impacts May Not Be Permanent ?

Wet Walnut Creek IGUCA Study

Figure 5. Time Series Comparison of the Indexed Values of Irrigated Crop Revenue





Questions?